

**MECHANISM OF FINANCING POLITICAL PARTIES FROM THE STATE
BUDGET: WORLD EXPERIENCE AND PROSPECTS FOR UKRAINE**

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Research methodology. The methodological principles include the institutional analysis, allowing to take into account the impact of legal and political factors on the economy. Within this approach the following methods are applied: analysis and synthesis - in determining the methods of financing of political parties; comparative analysis - to establish the existing features in a number of political party financing; abstraction - in determining the nature of the links between political financing and effectiveness of the political market.

Results. It is shown that in the modern democratic world, there is a tendency of legislative regulation of financing of political parties and election campaigns. Based on the analysis of the European practice, there are shown the advantages of public financing of political parties that are formed under clear separation of business from politics and public control of the flow of donations to the accounts of participants in the electoral process.

It is demonstrated that adopted the Bill 2123 "On Amendments to Some Legislative Acts of Ukraine Concerning Prevention and Counteraction to Political Corruption," radically changes the political conditions of the country, gradually bringing them closer to traditional European practices. It was determined that the new legislation, firstly, increase the state's role as a regulator of the system of political finance and thus reduce uncertainty on the political market and, secondly, to create an environment of greater openness of political parties and their accountability to society. Directions of the Law implementation are outlined, the main of which are measures to reduce expenditure of political parties through the application of generally accepted European practices limiting political advertising and the mechanisms of indirect public funding of parties.

Novelty. The mechanism of financing political parties based on the creation of necessary conditions, namely increasing political activity of public statements by a clear accountability and rationale of the measures by state authorities; establishing administrative and criminal liability for violation of the giving or receiving of donations to parties and breach of political financing; legislated right to annual funding of statutory activities of parties that received at least 2% in a

multi-mandate constituency; distributing funding between the parties in proportion to the number of votes obtained.

Practical value. The proposed mechanism of financing of political parties in Ukraine will create more favorable conditions for improving the functioning of political market and the development of democratic processes.

Keywords: political parties, government funding of political parties, state subsidies to political parties, inflow of financial resources, audit of the financial activities of political parties.

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